

6 pay limit is breached by JS company, Mr Foot says

ard Telephones and Cables, the wholly subsidiary of an American multinational in Britain, was named yesterday by Mr Secretary of State for Employment, as the employer to contravene the £6 pay policy. He said the company must renegotiate a pay deal in Ireland or face the possibility of social sanctions.

Renegotiate deal or face sanctions

Mr Secretary of State for Employment, Mr Foot, said yesterday that the company, JS, had breached the £6 pay limit. He said the company must renegotiate a pay deal in Ireland or face the possibility of social sanctions. He said the company must renegotiate a pay deal in Ireland or face the possibility of social sanctions.

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New York saved from defaulting on debts by last-minute loan from teachers' pension fund

From Peter Strafford
New York, Oct 17

New York today avoided going into default after the closest shave since its financial difficulties began last spring. The crisis came when the teachers' union, which had been refusing to contribute to a rescue plan for the city, changed its mind and agreed to use money from its pension fund to buy \$150m (£75m) worth of bonds issued by the Municipal Assistance Corporation.

This completed the package worked out for New York State's rescue plan last month and enabled the city to pay some \$450m to holders of short-term notes that expired today.

The agreement was announced by Mr Albert Shanker, the head of the teachers' union, after a long meeting with Mr Hugh Carey, the Governor of New York State. It put an end to a crisis that had been provoked by the teachers themselves and had tested everyone's nerves.

Mr Shanker said he had changed his mind "after a good deal of agonising and consideration of the city's financial situation". He had received assurances that no further demands would be made on the teachers' fund to contribute to the bonds.

Mr Carey emphasized that today's solution would not solve New York's longer-term difficulties. New York state, he said, would be able to meet its obligations up to December 1, but after that the welfare of the city was in the hands of the federal Government, because the state could not resolve the problem with its own resources. He would be going to Congress to make a new appeal for federal aid, with the hope that Congress would be able to persuade President Ford to change his negative attitude.

A crisis of this sort had been feared, of course, for a long time, in spite of the rescue operations that had been mounted. It was not expected so soon, however, and it came about suddenly last night, because of the refusal of the teachers to buy the bonds, in spite of their earlier agreement in principle to do so.

The teachers maintained their refusal throughout the morning. Mr Carey said the city was in a desperate position. He said the city was in a desperate position.



City in debt: Mr Hugh Carey, Governor of New York State, centre, Mr Abraham Beame, Mayor of New York City, right, and Mr Felix Rohatyn, chairman of the Municipal Assistance Corporation, answering questions at a press conference in New York.

In spite of pressures on them from state and city officials, the teachers were costing the city a great deal more. The general assumption was that the teachers were acting in reaction to the budget cuts imposed on the city in recent months, although they denied this. The cuts have involved layoffs of teachers, a general wage freeze on city employees and the abrogation of benefits agreed in past contract negotiations.

The question, therefore, was whether Mr Carey and Mr Shanker could reach any sort of agreement that would induce the teachers to change their minds. Frank Vogt writes from Washington: President Ford today ruled out federal aid to New York. He made it clear that his decision related not only to the sudden crisis that developed but to any new financial crisis that the city might face in the near future.

The President's blunt statement came after a series of intensive White House meetings that had been called urgently in the early hours of this morning when it became evident that New York might not be able to meet its obligations today.

Mr Shanker, the President's chief spokesman, declared: "The President will not take action to prevent a New York City default." Mr Ford believed New York State and New York City had the means to resolve the problem themselves.

The teachers in New York may have staved off default for the moment but next time it is possible that President Ford will hold in his hands the destiny of America's biggest city. On today's showing he will let New York default.

How things turned out, page 12

How things turned out, page 12

Monthly figures show curb on inflation

For the second consecutive month prices in September rose by less than 1 per cent, giving further confirmation of the slowdown in the pace of inflation, as forecast by Mr Healey, the Chancellor, in his Budget speech in April. In the first half of the year prices were rising by an average of 2½ per cent a month. Page 15

NHS inquiry meaningless if pay beds are excluded, doctors say

The British Medical Association said yesterday that the Government's determination to abolish private beds in National Health Service hospitals made the newly announced royal commission on the health service meaningless. Impending legislation on pay beds would be opposed "by every means". More than 160 Labour backbenchers have signed a Commons motion backing the Government's plans. Page 2

Another big bakery cuts price

Further impetus was given to the bread price war yesterday when RHM, which produces a quarter of the bread consumed in Britain, decided to follow Associated British Foods in cutting the price of a large wrapped loaf by 4p on Monday. Page 15

Oman launches offensive

Aircraft of the Oman Air Force attacked guerrilla positions in South Yemen yesterday and sought to block their supply route inside the country. The operation, backed by the Iranian Navy, appears to mark the final stage of operation against the leftist guerrillas. Page 4

Brezhnev talks

Discussions resumed in Moscow between Mr Brezhnev and President Giscard after a two-day interlude caused, according to the Soviet leader, by a chill he caught on Tuesday on his way to the airport to welcome the French President. Page 4

Baby inquiry

After a baby aged 11 months had been readmitted to hospital under a court order he died when a breathing machine failed. His mother had previously taken him home against medical advice. Page 3

Air strike threat

British airline pilots are likely to strike for 24 hours on November 1 in protest at sharp increases in their licence fees. The Civil Aviation Authority says the increases are necessary to make it self-financing. Page 3

Stockholm: Australian researchers working in Britain shares Nobel Prize for chemistry

Stockholm: Storm mount over Dr Kissinger's comment on Mr Nixon overheard at dinner. Armaments: Stockholm organization gives a warning about new weapons that could produce "chemical fireballs". Page 3

Racing: Wollow's victory in the Dewhurst Stakes at Newmarket

Racing: Wollow's victory in the Dewhurst Stakes at Newmarket was the season's best performance by a two-year-old in this country. Page 3

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Football: Weekend prospects

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lealey faces on loan plan

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Promise to churches on Community Land Bill

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| 10 | £20.83 | £2,083 | £2,141 | |
| 8 | £25.64 | £2,051 | £2,477 | |
| 6 | £32.26 | £1,936 | £2,856 | |
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Oman aircraft bomb South Yemen as Sultan's troops swoop down from mountains to trap guerrillas

From Simon Scott Plummer
Salalah, Dhofar, Oct 17

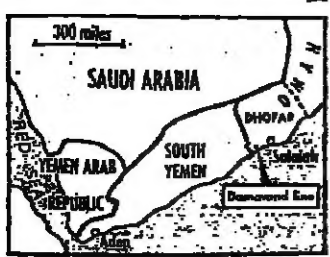
Oman aircraft today struck at targets in South Yemen for the first time in three years and Government troops tightened their grip on guerrilla supply routes just inside the border.

Seven Hawker Hunters presented earlier this year by Jordan bombed targets near Hauf, the centre from which guerrilla activity in the southern province of Dhofar is organised.

Military sources said the targets were two field guns, two anti-aircraft guns, the political headquarters of the Popular Front for the Liberation of Oman (PFLO) and a South Yemen security police barracks. A direct hit was reported on the PFLO headquarters.

The air attack was supported by artillery fire from Salalah, a 4,000ft mountain position on the border. Gun fire in by Iranian heavy-lift helicopters were used. The position has come under increasing artillery attack from South Yemen over the past year.

In a separate operation the Sultan's forces have descended



from Sarfai to block guerrilla supply routes between them and the Indian Ocean.

They made the first descent down a 6,000ft cliff on Wednesday. Meeting no resistance they sent in two extra companies yesterday, and the eight moved farther down to control all enemy supply routes in the area.

According to military sources, the Oman casualties were one man killed and one slightly wounded by small arms fire. About 1,200 men were involved in the operation. The Sultan's forces believe they can now prevent guerrilla supply routes of donkeys and camels from getting through to guerrillas farther east.

It is thought that the descent from Sarfai could mark the final stages of the military

struggle against the guerrillas. Between 400 and 500 South Yemen regular troops and PFLO guerrillas are believed to be trapped between the frontier and the Damavand line about 20 miles to the east. This is a series of positions running from the sea into the mountains and patrolled by Iranians.

The Iranians' part in today's operation was to secure a ridge overlooking enemy supply routes near the Damavand line. They were backed by Strike Masters from the Oman Air Force, by their own artillery and by an Iranian naval detachment of three destroyers and several smaller vessels.

Iran has about 4,000 troops in Oman as well as artillery and aircraft. The Sultan's forces, consisting of about 15,000 men, are commanded above the rank of major by British officers either seconded from the British Army or on contract to the Sultan.

If today's events mark the final stage of the military campaign in Dhofar, the emphasis must now be on civil aid to the mountain people of Dhofar to reduce the likelihood of further subversion from Marxist forces in South Yemen.



Mr. Brezhnev, the Soviet party leader, and President Giscard d'Estaing, of France, exchange views.

Soviet party leader reappears

From Edmund Stevens
Moscow, Oct 17

The Franco-Soviet talks resumed in Moscow this morning after a strange two-day interlude. The two-hour session, virtually the only working session of the visit, wound up with a joint statement that the profound exchange of view between President Giscard d'Estaing and the Soviet leaders took place in an atmosphere of mutual comprehension. They touched upon problems of European and world

policy as well as questions concerning the development of cooperation and détente between France and the Soviet Union.

Before the session started, Mr. Brezhnev, the Soviet party leader, told correspondents he had caught a chill while driving to the airport on Tuesday to welcome President Giscard d'Estaing. He blamed an open car window. On Wednesday the chill had worsened, preventing him from performing his official duties for the next two days.

Mr. Brezhnev added cryptically that such talks always began with complications, but these would end, and well. President Giscard d'Estaing had been invited to Moscow to improve relations and it would

not have been worth his coming had they quarrelled.

Buttressed by the press after the talks had gone well, Mr. Giscard d'Estaing said the way they had gone accorded with his expectations of the visit.

Mr. Brezhnev, who arrived with President Podgorny and Mr. Kosygin, the Prime Minister, at the French Embassy for lunch, when asked how he felt, said: "Do I look ill?" He added that there was too much talk about his health. It would be better to speak of other things. No question had come up in the talks that was likely to spoil relations.

Most observers allowed that Mr. Brezhnev might well have caught a chill, but that did not preclude the chill having its diplomatic uses. It served its purpose well, assuming that the purpose was to convey disapproval of some of the guest's remarks on the issue of détente and ideology.

Mr. Giscard d'Estaing reaffirmed his views in his speech at lunch. "Altering the dimensions of Franco-Soviet cooperation also changes its character," he said.

"This requires that we pay special attention to the human aspects by facilitating the activities of our businessmen, our scientists, and journalists and by developing university and tourist contacts."

At the conclusion of the talks agreements were signed between the two sides on energy and on scientific, technical and industrial cooperation in civil aviation and aeronautics. This would include French involve-

ment in the impo Moscow's intera There was also a cooperation in tour Moscow, Oct 17-

The Soviet Union's world disarmament of all nuclear power mankind of the weapons."

The joint call for cooperation in the present disarmament in Geneva, came in declaration at the visit. The declaration elaboration of which raised serious problems, was signed leaders.

It appeared to tie d'Estaing closely to a collaboration of the up by President de G 1966.—Reuter.

Dr Kissinger prepares Ford visit to Peking

From Our Own Correspondent
Washington, Oct 17

Dr Henry Kissinger, the Secretary of State, left for Peking today to prepare the agenda and final dates for President Ford's visit to China, due to begin at the end of next month.

There is no inclination among officials here to accept reports from Peking that Mr Ford's visit may be postponed, even though Dr Kissinger's arrival there has been heralded by the publication of his Ottawa table talk that he believes Mr Chou En-lai, the Prime Minister, is dying.

The fact of Mr Chou's decline is, of course, at the centre of the talks, since by all accounts Dr Kissinger finds the going heavier with his deputy, Mr Teng Hsiao-ping, the acting Prime Minister. Dr Kissinger has met Mr Teng several times, and it is determined to prepare the way with him for Mr Ford.

On substance, the Americans are expecting Chinese proposals for less détente with the Soviet Union. Obviously mindful of Russian sensitivity, the White House has been very prompt in denying *The New York Times* story that asserted that the outlook was gloomy for agreement with the Soviet Union on strategic arms limitation.

Dr Kissinger's public position is that agreement, outlined between Mr Ford and Mr Brezhnev, the Soviet party leader, in Vladivostok last November, is 90 per cent complete.

The White House has had some difficulty explaining why Mr Ford needs to visit China now, especially since the Chinese owe a return visit to the one paid them by President Nixon.

The strategy was to affirm the opening with the Chinese, while keeping the Russians guessing. But with Mr Ford's visit to China, the coming primary election challenge from Mr Ronald Reagan, the former Governor of California, the trip is beginning to look like doubtful politics.

John Best writes from Ottawa: Mr Allan MacEachen, External Affairs Minister, said he is "mortified" that some kind of dinner "chit-chat" by Dr Kissinger, the United States Secretary of State, got into the newspapers.

In conversation at a dinner in his honour in Ottawa on Tuesday, Dr Kissinger described former President Nixon as an "odd" and "unpleasant" man who does not enjoy people.

He spoke fondly of the Kennedy family, and described Mrs Jacqueline Kennedy Onassis as "sexy", adding, "Jackie is a hard woman who knows what she wants."

Dr Kissinger's comments were picked up by a microphone that had been left on accidentally and recorded simultaneously. He was reported by a number of newspapers and radio stations.

Mr MacEachen, questioned about the incident in the Commons yesterday, said he was "quite personally mortified" and was ordering an investigation.

Mr Smith for Pretoria

Salisbury, Oct 17.—Mr Ian Smith, the Rhodesian Prime Minister, will fly to Pretoria on Monday for discussions with Mr J. Vorster, the South African Prime Minister. A Government spokesman said in Salisbury tonight.

Israel orders air mechanics back to work

From Moshe Brilliant
Tel Aviv, Oct 17

Mr Gad Yaacobi, the Minister of Transport, today authorized the issue of emergency orders calling on El Al maintenance men to call off their strike and return to work or risk prosecution.

He said the orders would be handed to workers when the Sabbath ended at sundown tomorrow. The strike over grading paralysed the airline's service.

Stranded passengers were transferred to other carriers but Mr Yaacobi said the strike

UN staff attacked for changing resolution

From Peter Strafford
New York, Oct 17

A diplomatic storm broke at the United Nations last night when representatives of Britain, France and the United States made a joint protest to Dr Kurt Waldheim, the Secretary General, over the Secretary's handling of the Korean issue.

They complained that Secretary-General officials, one of whom is a Russian, had been tampering with the resolution put forward by the Americans and their supporters.

It was complained that this was not the first time that it had happened, and that Secretary-General officials had no right to do such things without consulting the countries concerned.

The change in this instance was a small one, being no more than the addition of an explanatory footnote. But it was one that might have affected the procedural wrangling that takes place over key issues of this sort, and in particular the question of which of the two resolutions on Korea has priority.

Mr Richardson explains his role in Watergate drama

By Roger Berthoud

Mr Elliot Richardson, the United States Ambassador in London and former Attorney General, is clearly irritated by suggestions that his role in the Watergate drama was less glorious than previously depicted.

Stung by newspaper comment on references to him in the final report of the Watergate Special Prosecution Force, he issued a statement yesterday indicating that he had enjoyed the good relations with the first Watergate special prosecutor, Professor Archibald Cox.

It was Mr Richardson's decision to resign as Attorney General under the dismissal of Professor Cox which enhanced Mr Richardson's reputation.

The report states that he in fact had his "own misgivings" over the way Professor Cox was broadening his inquiries and proposed appointing a special "national security" consultant to Professor Cox as a go-between with the intelligence agencies. He recalls his suggestion that the special prosecutor should accept a "third person" version of the tapes.

Mr Richardson said yesterday that there had been various discussions with Professor Cox on

The fact that so much importance is attached to these procedural disputes reflects the tension over this year's Korea debate. Both sides attach priority for their resolution because this gives a decided advantage, and could decide the outcome of the debate.

The Western resolution, tabled first, calls for the dissolution of the United Nations command in Korea provided arrangements are made to replace the terms of the armistice agreement.

The other one, put forward by the Russians, Chinese and others, calls for the dissolution of the command and the withdrawal of all foreign troops under its flag, but does not more than call on "the real parties" to the armistice to replace it with a peace agreement.

Western delegates expressed confidence today that the priority issue had not been affected by the secretary's handling of the issue. They had been assured of this, the said, by Dr Waldheim's legal advisers.

matters involving the interpretation of the guidelines establishing his office, his jurisdiction and the relationship between these and the responsibilities of the Department of Justice.

All such problems were worked out at the time in a manner that I thought reflected a spirit of mutual understanding and cooperation. Certainly there was no confrontation at any point. It is my belief that this was Mr Cox's view of the situation also.

The ambassador added that he had testified fully on all this to the Senate committee on the judiciary in November 1973, and had produced copies of his notes on his conversations with Professor Cox.

At the same hearings Professor Cox stated that although Mr Richardson was not an improper or even questionable pressure on me. He added: "We talked over these things as problems and tried to reason them out together." Professor Cox stated that although Mr Richardson was "caught in the middle", he was a man of honour, and their past relationship enabled them to discuss matters together candidly.

Czechs sentence absent US pilot to 10 years' jail

Prague, Oct 17.—Mr Barry Meeker, an American helicopter pilot who smuggled East Germans from Czechoslovakia to West Germany, was today sentenced in his absence to 10 years' jail, the Czechoslovak news agency Ceteka said.

A district court in Ceske Budejovice found him guilty of twice violating international flying regulations and leaving Czechoslovakia illegally on two occasions.

His co-pilot, Mr Tadeusz Kobrynski, a stateless Pole, was sentenced to six years' jail and a would-be East German passenger, Frau Helga Neukirchner, to three years, Ceteka said.

They were both left behind and captured on August 17 by

President Peron resumes her duties

Buenos Aires, Oct 17.—

Señora Peron, the Argentine President, returned to Government House here today after a month's absence to tell a cheering crowd of party loyalists that they must support the armed forces in their fight against left-wing subversion.

"Their dead are our dead," she said in an emotional speech from a balcony of the Casa Rosada (Pink House) on the Plaza de Mayo.

Relaxed after her rest, President received a 15-minute ovation. She waved and blew kisses to the crowd at the start of her first public appearance since resuming the presidency last night.

Threats by dissident Peronist Montoneros guerrillas to disrupt the rally faded in the face of the most stringent security precautions ever seen here. Señora Peron promised a "continuing dialogue with all sectors of national life".—Reuter.

Missing African leader's car found abandoned

Salisbury, Oct 17.—A car belonging to Dr Edson Sishole, the African nationalist official, has been found abandoned at Umtali near the border with Mozambique.

Dr Sishole, publicity secretary of Bishop Muzorewa's faction of the divided African National Council, disappeared from outside a Salisbury hotel on Wednesday night. His colleagues fear that he has been kidnapped.

President Amin pays visit to Qatar

Doha, Qatar, Oct 17.—President Amin of Uganda today arrived in Doha for a two-day visit to Qatar. He flew from Saudi Arabia after a pilgrimage to Mecca.—Agence France Presse.

Dr Sakharov appeals for amnesty

From Our Correspondent
Copenhagen, Oct 17

A fervent appeal from Dr Andrei Sakharov, the Nobel Peace Prize winner, for a general political amnesty in the Soviet Union was read to the Sakharov hearing on human rights in the Soviet Union today.

He said an amnesty could change the moral and political climate of Russia, and he called for the relaxation of internal and external tensions.

Repressive measures against political prisoners had increased in the last few months, he said, and it was necessary for the hearing to speak up on behalf of prisoners such as Leonid Plyushch, Vasily Romanov, Mustafa Dzhemilov, Vladimir Osipov, and the members of the Soviet group of Amnesty International, Viktor Kovalyov and Andrei Javorkhlev, who are now awaiting trial.

The hearing began with a statement from the author Vladimir Maximov, who was unable to attend, and a report from Viktor Balashov of the conditions of political prisoners in forced labour camps.

Kenyan MPs give vote of confidence to President

From Our Correspondent
Nairobi, Oct 17

The Kenyan Parliament passed unanimously and with acclamation a private member's motion today expressing confidence in President Kenyatta and in the ruling Kenya African National Union (Kau).

It had been proposed by Mr Edward Kiptanui, member for Baringo South.

During a short debate, none of the members who have in the past criticised government policies were in the House. There was a succession of speeches praising the President's leadership and declaring support for Kanu.

Since the arrest and detention of two members on Wednesday evening, and the stern warning yesterday by President Kenyatta to the parliamentary

group, there has been silence from what formerly was a vocal group of backbenchers.

Mr Seroney, the Deputy Speaker and Mr Shikuku, MP for Nairobi, were among the members who spoke in support of the motion. Mr Shikuku had said that Kanu was dead and Mr Seroney appeared to support him.

Although there is no statement from the President on the denials they are clearly President Kenyatta's answer to what is seen as a rebellious group unwilling to accept party discipline.

Since the general election in October last year, and particularly since the unseated murder of Mr J. M. Karuri, a popular and vocal MP, early this year, the two have been regarded as the mainstays of an unofficial opposition in the one-party Parliament.

Other members of the organization paraded with banners outside the academy in Piccadilly.

the harassment used by the authorities who can deprive people of work. Mr Pamin and Alexander Vardy also described the indoctrination of children through literature and schooling from the earliest age.

Mr Giscard d'Estaing said the opening of an exhibition of Soviet art at the Royal Academy in London. They sprung the date and unfurled banners calling for the release of Dr Mikhail Stern, a Jewish physician who is serving an eight-year prison sentence in Russia.

The incident happened as Sir Thomas Monnington, president of the Royal Academy, was about to call on Mr Nikolai Lunikov, the Soviet Ambassador, to open the exhibition of landscape masterpieces from Soviet museums.

The women, Mrs Valerie Green and Mrs Doreen Dunford, both members of the Women's Campaign for Soviet Jewry, were grabbed and hustled out by the academy's security staff.

Other members of the organization paraded with banners outside the academy in Piccadilly.

S Africa kill seven on Angol border

Pretoria, Oct 17.—So

can troops killed seven guerrillas at the South-West People's Organisation (SWAPO) defence headquarters in the Angol border area today.

It was not stated where the fighting took place, but informed sources said that it was on the Angolan side of the border.

Defence headquarters the army action was up to incursions last week into South-west Africa (SWAPO) guerrillas in which people including SWAPO policemen were killed.

South Africans had despoiled two Swapo camps and military equipment. The fared no casualties.

An earlier statement a weekend's deaths said that Swapo guerrillas had fled back into South Africa and that the Arm been instructed to appropriate action. This taken to mean that the African troops could p Swapo incursions.

Portugal administrators A but is due to relinquish p on November 11.—Reuter.

Luanda, Oct 17.—The U States Consulate General, urged all Americans, B and Canadians to leave A as soon as possible and to arrange air transport them.

Officials of the Popular Front for the Liberation of Angola, which controls a confirmed that forces of National Front for the Liberation of Angola were within miles of the capital. Bittering was reported to be going north-east of the city.—A Agence France Presse.

France's biggest punter shoots himself

From Richard Wigg
Paris, Oct 17

One of the most colorful figures on the French known as "Monsieur X" his ability to mastermind ing on the tierce, the off-betting system, shot through the head today. I awaiting trial in a alleged rigging which involved several jockeys.

"Monsieur X", Paris Moutis, a brilliant musician who also worl insurance, was found in a sumptuous villa home ju side Paris. He was kno France's greatest punter

Stockholm warning on 'chemical fireballs'

Stockholm, Oct 17.—The

Stockholm International Peace Research Institute today gave a warning that new incendiary weapons were being developed producing "chemical fireballs" that radiate thermal energy second only to that of a nuclear bomb.

It also drew attention to the dangers involved in weapon producers turning to depleted uranium instead of lead or steel for use in small projec-

tiles such as flechettes and pellets.

In a book entitled *Incendiary Weapons*, the institute, an independent organization funded by the Swedish Parliament, said: "The new incendiary weapons are produced from a highly volatile self-igniting liquid such as triethyl aluminium, very slightly thickened with a polymer. They radiate thermal energy of such intensity that these

exposed receive third-degree burns within a few seconds."

This material could be used in grenades, shells and cluster bombs and was already in use in small incendiary rockets fired from the shoulder by a high-angle launcher and designed to replace conventional flamethrowers.

Shells filled with the mixture could turn every tank into the equivalent of an armoured flamethrower.

Greek pledge on murder of Ann Chapman

From Our Correspondent
Athens, Oct 17

The Athens court of appeal ruled today that Mr George Papadopoulos, the former dictator, had not been a legitimate President of Greece and could not therefore benefit from the constitutional immunity of a head of state.

The tribunal that is trying the deposed junta leader and 31 associates for the Polytechnic massacre in which at least 24 protesters were killed in November, 1973, rejected the defendant's appeal which, rather presumptuously, invoked the maxim that "the king can do no wrong."

Justice Ioannis Koutsoulas, the president of the court, said: "The revolt of April 21, 1967, was a coup d'etat. Therefore all the governments which served the regime were governments imposed by force. All their ministers and presidents of the republic did not exercise lawful power."

All 32 defendants pleaded not guilty.

The first witness for the pro-

Papadopoulos plea for immunity rejected

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All 32 defendants pleaded not guilty.

The first witness for the pro-

secution was Mr Constantine Konofagos, Minister of Industry, who was rector of the Polytechnic University at the time of the uprising. He said: "The Polytechnic revolt is one of the highest pages of Greek history."

The uprising had not been planned in advance. It had begun as a protest against the Government's decision to postpone elections in student unions. It developed into a revolt for the liberation of Greece from the yoke of the dictatorship," he said.

He and the senate of the Polytechnic had repeatedly denied the police permission to enter the campus and disperse the sit-in. The senate was determined to defend the academic asylum, but also it was clear that a police raid would have ended in bloodshed. "Those who died," Mr Konofagos said.

The leaders of the regime, instead of sending out the tanks to break into the campus, should have realized that the time had come for them to surrender power."

Both trials resume tomorrow.

In another trial today the Athens court mar

greek author described it had been ordered by thary police to make him c that he was engaged in sive activities.

Thirty-six officers privates of the military are in the dock accused of bringing political prisoners to the dictatorship. Many of have already received prison sentences on charges.

Mr Alexandros Zografos he had been taken to a u the outskirts of Athens. he had been forced to sit at attention for two days, cause I did not encrips, made me wear handcuffs, suspended me from the w hary," he said. "I stayed for 25 days and was b every day."

He was later court-mart for sedition and sentenced years' imprisonment, but t free in 1972 becau health had been imp seriously.

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ME NEWS

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By Arthur Reed
Air Correspondent

All aircraft operated by British airlines are likely to be grounded for 24 hours on November 1 by a strike by their flight crews. The pilots are angry over increases in their licence fees which are to be charged from November 10 by the Civil Aviation Authority.

The cost of a licence for an airline pilot is to go up from £10 for five years to £50 for 10 years.

A ballot among the 5,800 members of the British Airline Pilots' Association produced a majority in favour of industrial action. The ballot result is to be considered shortly by the association's executive, but there seems to be little doubt that it will endorse the members' strike.

The effects of a 24-hour strike would be felt over the world air network for up to three days, as aircraft and crews would be left out of position.

Long-distance services would be affected more than short routes. Since this is the low season for air travel, few people are likely to be stranded. On most routes foreign airlines would be able to accommodate passengers booked by British operators.

Lord Boyd-Carpenter, chairman of the Civil Aviation Authority, called senior executives of all the British airlines to his headquarters in London yesterday to explain the situation.

The executives were told that the licence fees had been raised as part of a plan to meet a demand by the Government that the authority should become self-supporting by 1977-78. The new rate would be increased further in due course, until the licensing of pilots was carried out at an economic rate.

In the financial year 1974-75, the authority had to ask the Government for a grant of £24.5m, Lord Boyd-Carpenter said.

Airline pilots likely to strike next month

By Arthur Reed
Air Correspondent

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Baby died after court sent him back to hospital

By Arthur Reed
Air Correspondent

Simon Lock, who was sent back to hospital after a court order, died yesterday after a health visitor and the NSPCC and the hospital were told yesterday to explain the situation.

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British researcher is joint winner of Nobel chemistry prize while three share physics award

By Arthur Reed
Air Correspondent

Professor John Cornforth, director of research at the MRC Laboratory of Chemical Enzymology, Sittlington, Oxford, jointly won the Nobel prize for chemistry.

The Royal Swedish Academy of Sciences said that Dr Cornforth, who has been deaf since childhood, had made an outstanding contribution to the understanding of the structure of the stereochemistry of enzyme-catalyzed reactions.

Dr Cornforth, aged 58, shares the £59,000 prize with Professor Vladimir Prelog, of Zurich, who has been deaf since 1959, and Dr R. B. Woodward, of Princeton, New Jersey, who has been deaf since 1959.

Dr Prelog, aged 69, who has been deaf since 1959, and Dr Woodward, aged 69, who has been deaf since 1959, share the prize with Dr Cornforth.

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Dr John Cornforth: An outstanding intellectual achievement.

The citation said that the three, independently and in concert, had developed a theory of the structure of the atom's core which explains more about its fundamental forces.

They have thus contributed to man's knowledge about the structure of matter, a seminal work which has applications in the field of nuclear energy.

All of this year's Nobel prize winners will receive their award from the Swedish monarch on December 10 at the traditional Nobel ceremony in Stockholm.

The Swedish Academy last night said that the 1975 Nobel prize for literature will be awarded to the American poet, Robert Lowell.

Informal sources said that some of the leading candidates are Saul Bellow and Norman Mailer, both Americans, Graham Greene, of Britain, Nadine Gordimer, of South Africa, and Yasser Kemal, of Turkey.

London: Professor Cornforth said he was "very happy" and "delighted to share the prize with Dr Prelog. He believed his work enabled people to get a better understanding of life processes and how to use them in the direction of better health."

Dr Prelog, who has been deaf since 1959, said he was "overwhelmed" at receiving a share in this year's Nobel prize.

Dr Woodward, who has been deaf since 1959, said he was "delighted to share the prize with Dr Prelog. He believed his work enabled people to get a better understanding of life processes and how to use them in the direction of better health."

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Passions run high in French by-election

By Arthur Reed
Air Correspondent

The polarization of French politics emerged dramatically at a by-election meeting last night when M. Chirac, the Prime Minister, and M. Mitterrand, the Socialist leader, and M. Jospin, the former Foreign Minister—all in one small hall.

Passions ran so high with Socialist supporters and young Giscardians present in almost equal numbers, alternatively cheering, jeering, hurling abuse and shouting car horns that they drowned much of the argument as the four politicians debated their rival programmes.

The meeting, which was broadcast live on television and radio, was at Chateaufort, in the Vienne, where M. Pierre Abelin, Minister of Cooperation, is fighting to retain his seat in the decisive second ballot on Sunday. He is a Centrist and has been the town's mayor and deputy for the past five years.

In the first ballot last Sunday only 1 per cent of the poll separated M. Abelin from the combined Socialist and Communist vote, together with the 4.5 per cent cast for M. Jospin's "democratic movement".

M. Jospin has now advised his supporters to vote for the Socialist candidate in the second ballot. The election has been chosen by all sides for a national test.

The hottest moment last night came when M. Jospin, dropped from the cabinet when M. Giscard d'Estaing became President, accused M. Chirac of "lack of fidelity" to the Gaullist cause.

M. Chirac, who has been in the cabinet since M. Giscard d'Estaing's return to power, immediately retorted that M. Jospin was showing no fidelity in calling on his supporters to back the Socialists. M. Jospin promised defiantly: "I shall be here a long time to trouble you."

M. Chirac was sent to Chateaufort expressly by President Giscard d'Estaing to defend M. Abelin, who until last year was an active opponent of the Gaullists. He reaffirmed, in his speech, his own self-interest in the need for a firm and liberal authority.

Defiance and recourse to violence were developed, both in crime and politics, he said, but the majority would resist the fashionable trends. The Socialists chanted at this point: "Siege Heli, Siege Heli."

M. Mitterrand complained that he had to speak from the middle of the hall without the microphone facilities available to Government speakers. He attacked the Government for its handling of the economic crisis, particularly its handling of the 1974 election.

He said the election result on Sunday would mark the "beginning of the end of the present majority". The Prime Minister replied that the Socialist leader had been saying this ever since he was elected.

M. Giscard d'Estaing, who was in the hall, said he was "delighted to share the prize with Dr Prelog. He believed his work enabled people to get a better understanding of life processes and how to use them in the direction of better health."

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The cost of food hidden, farmers' leader says

By Arthur Reed
Air Correspondent

The cost of food is hidden, says the leader of the National Farmers' Union, Sir Henry Pakenham, who said that the Government's policy of subsidizing food was a "hidden tax" on the taxpayer.

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Sheriff fined for assault on elderly couple

By Arthur Reed
Air Correspondent

The Sheriff of Nottingham, Mr. Gerald Elliott, a Conservative councillor, was found guilty yesterday of assaulting an elderly couple in a late-night brawl outside his home. He was fined £20, with £128 costs.

Nottingham magistrates dismissed a charge of assault on a younger woman during the incident.

Mr. Elliott, aged 50, of Nuthall Road, Nottingham, had denied charges of assaulting the couple. The couple, aged 74 and 72, were Mrs. Carmela Woodward, aged 46. The magistrates found that the charge involving Mrs. Woodward had not been proved.

The chairman, Mr. Bernard Millett, said: "After you may well have been through a long and trying day, if you get out of your car to enter your house, and then something you heard or thought you heard caused you to lose momentarily your self-control."

After the case Mr. Elliott's solicitor, Mr. Richard Hall, said he intended to file notice of appeal.

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Britain to receive £9m EEC regional aid

By Arthur Reed
Air Correspondent

The British Government is to receive nearly £9m out of the first tranche of grants from the EEC's new regional development fund.

The money will be used to help to finance the construction of 236 advanced factories in the less-favoured parts of the United Kingdom. Wales and Scotland will benefit most, followed by Northern Ireland, Northern Ireland and the North-west.

Announcing details of grants totalling about £67m for 655 projects throughout the Community, Mr. George Thomson, the European Commissioner for regional policy, said today that he expected a second allocation of funds worth some £50m to be processed in December.

Some nations, like the Italians and the Irish, were quick off the mark in submitting applications for grants and this reflected their receipt from the first allocation. The Italians are to receive £36m for 126 projects and the Irish nearly £6m for 88 schemes.

As a result these countries have already used up three quarters of their grant. They are entitled this year. By contrast, the British have so far submitted applications for only about a quarter of their entitlement of nearly £36m this year.

At a press conference in Brussels, Mr. Thomson sought to play down differences between the Commission and member states like Britain and Denmark over how the money should be allocated. There have been signs that the British Government intends to use it as a straight substitute for national Exchequer payments, instead of as a regional bonus over and above what it would have spent if the regional fund did not exist.

He said that during consultations with the Nine the Commission had insisted that member governments should observe the political commitment to use the money in addition to their own spending when the fund was set up.

He felt it would take at least another year for the Commission to see whether that moral commitment had been kept. In the case of Britain, for example, he had noted with satisfaction the comment made by Mr. Healey, the Chancellor of the Exchequer, that a new £20m advanced factory programme had been possible only because of financial assistance from the EEC.

Mr. Thomson tried to dispel fears that the regional fund might be affected by recent decisions taken by budgetary ministers to cut back EEC expenditure. Regardless of how member governments acted, they were committed to provide a full £540m for the initial three-year period of the fund.

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Coastguards jailed for manslaughter

By Arthur Reed
Air Correspondent

Two Finnish coastguards, charged with manslaughter of two people in a boat incident during the European security summit in Helsinki last July, have been sentenced to jail terms.

The Helsinki district court yesterday sentenced Coastguard Ole Mikael Mikkonen to six months and 10 days. Sergeant Jorma Juvani Mikkonen, who was commanding the coastguard boat, was sentenced to seven months and 15 days.

The coastguards were returning from patrol near a waterside reception for the summit conference on July 31 when they challenged an unidentified motor boat. A warning flare was fired which hit the vessel, setting it on fire and killing the two men on board.—Reuters.

Sardinia kidnap of landowner

By Arthur Reed
Air Correspondent

Masked gunmen kidnapped a landowner near here, bringing the number of abductions, in Italy this year to about 50, police said.

Signor Giovanni Maria Butta was driving to work with two friends yesterday. The kidnappers forced him to stop, bundled his two companions out and tied them up before driving off in their victim's car.—Reuters.

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Court of Appeal

By Arthur Reed
Air Correspondent

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Report October 17 1975

Common law wife may be 'member of the family'

Holdings Ltd v Fox. Lord Denning, Master of the Court of Appeal, said that a common law wife may be a "member of the family" for the purposes of the Rent Act.

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gs and Queens of Eng-
French I acquired at
rily from my mother
rily from a series of
nursery-maids and gov-
ess.)
this preliminary
tish involved only a
ally walk from home to
ladstone's school in
Square. I was now to
noted (as a colt might
from the stable where
been bred for serious
to Newmarket). I was
Oxford—no, not to the
ity, but to a neighbour-
of learning, inferior
in academic standing
in industry and appli-
it was at the little vil-
Summertown. It was
ll is the well known
tory school known as
fields.
se days it was not the
for children to be
d or hurried in this im-
change in their young
om the nursery to the
ry—from the quiet of
to the uproar of the
om, from comparative
to permanent crowds;
awkwardness of anxious
or still
and lack of face-
likely to be embarrass-
in bad form. At that
moment, when the
of the prison begin to
pon the growing boy,

we were at least spared from
undue emotion.
My debut was simple and
dignified. One of my father's
clerks took me to Paddington
in a four-wheeler with my
trunk and my play-box (where
ph where are all those play-
boxes now?), bought me a ticket
and handed me over to a junior
master who was conducting a
number of boys to the same
destination.
At Oxford station, we were
met by various horse-drawn
vehicles, buses and flys. The
route took us past the first
Oxford college I ever saw,
Worcester, then past Balliol
(where my eldest brother,
Daniel, was to be a distinguished
scholar), past St John's, and
then into what seemed a quiet
suburb, gradually changing into
open country, until we reached
the little village of Summertown
(which then bore roughly the
same relation to Oxford as
Chelsea or Kensington to eight-
teenth-century London). Then
we turned to the right down a
short road to the school and
its surrounding farmlands,
which ran down to the river
Cherwell.
In all the agitation of this
almost overwhelming change
in my way-of-life, and the
confusion and often tears of
the first days away from home,
I realized, with pride, that I
had seen Oxford. For a short
time, to me, Oxford meant St
Giles's, the Martyr's Memorial
(we had already learnt about
Cranmer and Latimer and
especially Latimer's historic
last words), St John's and Bal-
liol—where all Balliol which I
was later taught by my brother
to regard—as I still do—as the
Mecca of the intellectual life
of the world.
In fact, in the three subse-
quent years, I got to know
Oxford well—at least its
outward features—and for this
reason—
In those days, once in each
school term, and only once,
parents made a somewhat for-
mal visit to see their boys—at
least it was called. Now of
course they arrive almost any
weekend in motor cars, with
brothers, sisters or friends—
and immediately whirl the
joyous band away—sometimes
to neighbours' houses, some-
times to London, sometimes to
jolly road-houses or perhaps
my father always in a tail-coat
and top-hat.
I had no sister or younger
brother—there were just the
three of us. The horse-tram
took us down to the Ram-
pant Hotel. There we
lunched—alone and almost in
silence, except for that rather
stilted conversation that
seemed inseparable from such
occasions, carried on in the
low, low, which appeared
appropriate to our magnificent
surroundings. (I had never
been in any hotel). We did full
justice, or at least I did, to the
banquet which was set before
us. In those pre-Coca-Cola
days, the orthodox tipple was
ginger-wine.
My father was a wise man
and knew that children would
rather be stuffed with food
than cross-examined about
their school life, their
progress, and—above all—their
friends.
After luncheon—what could
be done? There were several
hours to be filled in. It would
be in the worst of taste to
go back to school until the last
possible moment. What could
be done to exorcise the time?
Why, only to explore
Oxford—and by Oxford, I
mean the chief university
buildings and the colleges.
In three years (which of
course to children seem like
30) there were nine such
opportunities. My father had
a good memory and was a meth-
odical man. Sometimes he came
alone, my mother's health at
that time being indifferent, but
he never missed. Thus I can
claim to have visited or been
conducted through almost
every college (or such parts as
were open to the public) and
every church (including of
course the cathedral) and
every university building,
including every playing
field. We did not, of course,
include women's colleges.
If my father's memory was
good, so naturally mine was
at that time, for after all,
except for a few of London
and environs, I had never seen
anything. Thus, at an
advanced age, I can still recall,
with some accuracy, at least
the outer form of Oxford 70
years ago.
The buildings, I remember,
struck me as noble, but rather
shabby; many crumbling—
almost diseased. Modern
Oxford, in this respect, is
comparably more splendid than
Oxford 70 years ago. But then
there were fewer ugly ones.
For instance the charming lit-
tle remained which ran from
Trinity Gates past Mr Black-
well's shop, and seemed, with
their confused roofs and gra-
dually diminishing heights,
exactly appropriate to their
setting. That strange nightmare
which looks as if an early
Florentine palazzo had unac-
countably spawned and been
washed down the Broad, is a
less improvement. Poor Bod-
ley! Nor were there so many
of those no doubt essential
but somehow discordant—tem-
ples dedicated to science and
technology.
The shops, too, were those
suitable to a cathedral city,
with individual character,



Oxford remembered

by Harold Macmillan

modest and decorous, not flaunting
marks of mass consumption.
Still the changes are not
so great as to destroy alto-
gether the Oxford of my early
memory. The essentials remain.
But apart from the fine
buildings, the splendid quad-
rangles, lawns, gardens, apart
from the incredible numbers
of books in the numerous
libraries—what of the inhabi-
tants? It was by their strange
appearances that I was chiefly
affected. They seemed to be so
old; so odd; with such a
glare of the spectacle of these
no doubt wise and learned, but
queer looking men that I was
deeply impressed, with their
caps and gowns, often carrying
large calf-bound volumes fur-
ther than their own knowledge.
(The under-
graduates, who then looked
and dressed like anybody else,
I scarcely noticed.) Occa-
sionally one of these great
men would recognise me and
to my father, or stop for a few
words of mumbled conver-
sation. If this was my first and
vivid impression—the antiquity
and eccentricity of the inhabi-
tants—the second is equally
clear: what a great part Reli-
gion must play in their lives.
For most of them were attired
in clerical or semi-clerical cos-
tume. Moreover, apart from
the college chancels, some
seemed everywhere a mass
of small, survivors of very
early times, some large and
of every age and style of archi-
ture, but enough, one would
have thought, in capacity to
supply the needs of a teeming
population.
However, there they were,
and there seemed, at any rate,
plenty of clergymen. I had
never seen so many clergymen.
Every other dignitary seemed
to be in holy orders. No doubt
I was misled to some extent by
the white ties so widely
sporting then, but the impres-
sion had not altogether faded
when I returned to Oxford as
an undergraduate. Devout,
learned, dignified, enjoying a
wonderful sense of repose and
peace—these were the rulers, or
rather the servants of Oxford
70 years ago.
Thus, by a lucky chance, I
was able (although in our little
school in an adjacent village
we were seldom brought into
any direct contact with
Oxford) by my father's
shyness (to tour the colleges
was better than forced conver-
sation and futile questions), by
his own considerable schol-
arship (he had been for 10
years classical master at St
Paul's), by his sense of method
and order, to become the happy

beneficiary of an unusual expe-
rience. Few boys between nine
and 12 can have known so well
at least the exterior of the Uni-
versity.
I left Summertown, and
Oxford, in 1906. It was five
years before I returned and
then only for a few days. But
in the interval I had learnt
something about the atmos-
phere of collegiate life. As a
scholar at Eton, I had been
privileged to belong to a
privileged community and "dwell
in the pleasant places of per-
fect beauty". Our residence
was a Tudor building on the
north side of the great quad-
rangle—School Yard. Opposite
the noble chapel, on the west,
the fine classic building;
Upper School. On the east,
Lupton's tower, leading to the
cloisters, where the heads of
the solemn state the heads of
the college body, of which we 70
scholars were also members—
the Provost, Vice-Provost, Head-
master. So when, in the early
be final of 1911, I entered the
hall, I felt almost at home,
although suffering from all the
nervous anticipation of the
examinee.
At that time, by a privilege
which Balliol still
claimed (and I know not why)
later weakly abandoned, the
Balliol scholarship examination
stood alone, in time as well as
in intellectual prominence. It
was held a week before the
other colleges, which followed
groups. This was a dubious
advantage. It no doubt ben-
efited the College; but it also
relieved the most acute anxie-
ties of the candidate. Failure
at Balliol would not necessarily
be final. It could be retrieved
in the next stage. The horse
might fall even to be placed in
the Derby. But there was a
good chance at subsequent
stage meetings.
Many will recall the first
few terrifying moments in
such examinations when you
glance hurriedly, and almost
trampling, at the printed paper
before you. It seems to have
no meaning at all to convey
no sense. What is it? Latin?
or Greek? It might be
Hebrew. But as you try to col-
lect and contemplate your
thoughts, you glance round at
your competitors. What clever
fellow! What intellectual
brave! What application!
They have all begun to write
about the very first minute—
apparently with easy confi-
dence. Good heavens! Ten
minutes have passed—they are
rumbling well down the course.
You are still at the starting
gate. I still have nightmares
about examinations.
The afternoon sessions were

not so bad. By the merciful
deceit of some kindly Master
or Dean tea and plum cake
were provided—not in my
experience, like plum cake—
especially for Greek imbeciles.
On the second—or perhaps
the third—day there was
another not unwelcome in-
terruption in the routine
work. A candidate was sum-
moned for a viva-voce inter-
view. This meant mounting
from the Hall to the High
Table, and going down a spiral
staircase to a room below—the
Common Room—where a
number of grave but courteous
men were assembled. On the
left of the door, behind the
High Table, I noticed a small
picture—an extraordinary pic-
ture of a strange young man,
with a shaven face and flaming
hair. Of course, it was
Swinburne. We had just begun
to hear about Swinburne,
although he was not altogether
approved of in some circles.
We liked the rhythm and
cadence, though we did not un-
derstand quite what it was all
about. Did they like Swinburne
here? Would it be a good
thing to make a neat reference
to Swinburne in the examina-
tion? The results of the elections
were announced. There were three
classical scholarships, three
classical exhibitions and one
(Brackenbury) history schol-
arship. In addition—as a sort
of consolation prize—there was
the Williams classical exhibi-
tion.
This last was awarded to me.
I had not triumphed—but I
had not altogether failed. My
family, if not enthusiastic,
were at least appeased. We had
a high tradition of classical
attainments. My brother Daniel
had won the Newcastle at Eton
and had been elected senior
classical scholar at Balliol. I
jogged along behind; but still,
I jogged.
Newcomers—freshmen—
were formally received by
Hancock—most loved, most
memorable and best remem-
bered of college porters to
be remembered in the front
quadrangle, cold, inconveni-
ent—but my own.
Humphrey Sumner was just
above or just below me. With
him I formed a deep friend-
ship, lasting until his untimely
death, when he was Warden of
All Souls.
Although we concealed it,
we were really a little ashamed
of the front quad; nor could I
ever bring myself to admire

the chapel, so strangely resem-
bling a hen sandwich, with
generous slices of ham.
It has been a great comfort
to me that the whole thing has
been rehabilitated by modern
critics and the front quad of
Balliol is now accepted as one
of the gems of English archi-
tecture. All honour to John
Betjeman, on whom Ruskin's
mantle has fallen as Elijah's
upon Elisha.
The first days and even
weeks were naturally some-
what chaotic. One had to find
one's way round the maze of
friends. One had above all to
learn a way of life. (This
period was softened by the tra-
ditional breakfast parties given
for freshmen by second and
third-year men.) There was a
curious mixture of comfort
and hardship. It was wonderful
to have hot breakfast and
luncheon in one's room—left
by the fire (with a tin cover to
keep the food warm) by a
most attentive "gout". But
then we had to go to chapel or
sign the book at the Lodge at
8 am on four mornings a week
and we had to walk through
the front quad and through
two or three hundred yards, to
get a bath. To dine in Hall
(which we did on most nights
until we had joined the
various clubs, the OUDs, the
Grid and so forth to which we
were later elected) was agree-
able and even inspiring. The
fine range of Balliol worthies
(Prime Ministers; Lord Chan-
cellors; Foreign Secretaries;
bishops and the like) were a
stimulus to effort.
On Sunday evenings, when
the Master came in to take his
place, we banded with our
knives and forks upon the
table in prolonged welcome.
This was in memory of Jowett,
who was so applauded after a
long illness. The food was tol-
erably good and the wine and
spirits (which I had never
been allowed at home) were
readily available at the low
price of a shilling a bottle.
It would be respectful to
start my picture of Balliol
(and so far as my knowledge
extends) of other colleges with
the governing figures—the
dons. First, the Master,
Strachan-Davidson—a man of
infinite charm, grave courtesy,
and a certain detachment from
mundane affairs. He was
reputed not to know any
undergraduate by name,
although he treated all with
impartial politeness. It was
then (I hope still is) a custom
for all freshmen to read (I
suppose in groups or batches)

a weekly essay to the
Master. The subject was
pinned up in the Lodge, and
there was a graceful repetition
of these themes which proved
valuable to some of us. On one
such occasion (so the story
ran) a young man—more
endowed with athletic than in-
tellectual prowess had bor-
rowed for his purpose an essay
which had already done yeoman
service but was getting a little
dog-eared and worn. He began
confidently: "As Bophocles
once said—" The Master looked
up. "What did you say—Mr
er—er?" I said as Bophocles
once said—"Are you sure
that's right?" replied the Mas-
ter, with a note of surprise or
even incredulity, but with his
usual kindness. "Well Master
it's written down here Bopho-
cles," I suppose it's all
right." The Master let it pass.
Strachan-Davidson only
really cared about one thing
and one man. Cicero. He
dreamed of Cicero; he lived
for Cicero; Cicero was his hero
and his inspiration. He was
only just in time. For the first
half of this century of progress
was to be more noted for the
end of constitutional govern-
ment than its establishment in
the world. As 2,000 years ago,
the era of dictators was about
to begin.
There were other leading
members of Balliol Common
Room in 1912. A. L. Smith—
Dean and later Master—a great
teacher and a good historian.
Cyril Bailey and Pickard Cam-
bridge—devoted tutors and
fine scholars. Harold Hartley—
who became a very distinguished
scientist and administrator
and lived on till a short time
ago. Fluffy Davis—a notable
historian.
Our chaplain and junior
Dean was Neville Talbot, one
of three remarkable sons of
the old Bishop of Winchester.
He was later Bishop of Pre-
toria, 6ft 3in in height—of
great physique—he was a good
junior Dean especially in a
row. Last—but not least—indeed
in my affectionate
memory first—was E. F. Urqu-
hart (Sliggy), loved by many
generations of Oxford men, in
Balliol and throughout the Uni-
versity. He showed me a kind-
ness which I could never repay
but I can never forget. I re-
mained a close friend and came
constantly to see him until his
death.
As for heads or dons in
other colleges, I got to know
some as I got to know friends
in those colleges. Apart from
Eton friends (mostly in Christ
Church, Merton, Trinity and
New College) I soon came to know many Wyke-
hamites, Balliolites, and
Humphreys. Sumner, I also
joined various university socie-
ties. I was indeed almost an
addict of societies. Thus I got
to know young men in other
colleges. The Union (where I
began tentatively to aspire to
success) brought me into touch
with a varied company. Then I
joined the OUDs—more to dine
than to act.
Moreover, since political dis-
tinctions were less rigid than
now I was a member of the
Canning (a Tory club), the
Russell (White Liberals) and
the Fabian Society. In those
happy days all was writ to my
voracious mill.
Among the undergraduates at
Balliol there were, of course,
some more delicate plants, who
were somewhat shy and re-
luctant. But all were united in
the college tradition. There
was neither snobbery nor
inverted snobbery. Moreover we
had many students from other
countries, especially from the
Empire, including a number of
Rhodes scholars. Among these
was Vincent Massey, who
became a lifelong friend.
Balliol was—or tried to be—a
microcosm of the world. There
may have been arrogance. But
there was neither servility nor
envy. Balliol then prided itself
on its variety and catholicity.
It was drawn from every class
—noble, gentle and humble—
public schoolboys, grammar
schoolboys, board schoolboys.
There were rich and poor—and
mostly middling. There were
scholars and apothecaries. Perhaps
we most admired what I might
call scholar-athletes. There were
hunting men (but they must at
least read for honours). There
were rowing men, cricketers
(like Walter Monckton) and
footballers or hockey blues (like
Stephen Hewitt who was also
a fine classical scholar). It may
be that the greatest of the
heroic days were already begin-
ning to pass. The glories of
the brothers' contemporaries,
Asquiths, Grenfells, Charles
Lister, Patrick Shaw-Stewart
and the rest, were already
almost a myth. Yet, these men
who had gone down a few years
before us had devoted some
had at least a chance to make
some reputation in the world.
Of my own generation most
were already doomed.
To return to our dons. In the
course of two years I was intro-
duced to, and entertained by,
a few heads of colleges or pro-
fessors.
Dr Strong, Dean of Christ
Church, whom I met through
some of my Eton friends, im-
pressed me greatly. Dr Blais-
ton, President of Trinity, I met
occasionally in Ronald Knox's
company—with the formidable
Mr Raper. Professor Clark, who
lectured on Theocritus with
remarkable vigour, was kind to
me and asked me to his rooms.
Dr Warren, so cruelly lam-
pooned by Raymond Asquith
in this exquisite piece of reprinted
in Spender's *Life of Asquith*,
asked me to lunch at Magdalen.
I dined once at All Souls, and
saw, but did not speak to, the
great Sir William Anson (what
a splendid evening—tail-coats
and white ties and all possible
formality). I went to Professor
Haldane's house, the site of the
new Wolfson College, for Jack

was in College at Eton with me,
and a friend, Professor Gilbert
Murray invited some of us who
attended his lectures, and
charmed us by his gaiety and
kindness. Ronald Knox, then
Anglican Chaplain of Trinity, I
had known already, for he used
to come to coach me in the
holidays. Alas! he could not
teach me his extraordinary com-
mand of the Latin language.
Indeed he wrote Latin elegiacs
indistinguishable from the
verses of Ovid. But I had learnt
to admire and love this won-
derful man—the greatest wit and
the greatest saint I have known
a long life. But except for
these, in the short two years of
my life as an undergraduate
one saw the great dignitaries
only from a distance. On the
whole, they seemed almost as
queer as the white tie. I had first
observed them nearly ten years
before. But I realized now that
they were not all clergymen. If
catholicus non facit monachum,
white bands and a white tie do
not necessarily denote a parson.
I must turn to the normal life
of an undergraduate. In most
respects I have no doubt they
were very similar to their pur-
suits today. Work; sport;
meetings; clubs; everlasting
talk; friendships (and some-
times quarrels); vague aspira-
tions such as rightly haunt
youthful minds; and often
perhaps uncertainty and even
depression (for youth has its
times of haunting sorrow as well
as of gaiety).
But in one respect there was
a profound and vital difference
—difficult today wholly to
realize. There were no women.
Ours was an entirely masculine,
almost monastic, society. We
knew, of course, that there were
women's colleges with women
students. But we were not
conscious of either. Their col-
leges were situated on the
suburban periphery. Their
students never came into our
college rooms. Curiously, I
believe the proportion of
women to men was almost the
same as now. But they played
no role at all in our lives. They
were not, I think, full members
of the university. They were
not members of the union. They
joined no political societies. If
they came to lectures they were
escorted by a chaperone or
duenna. For practical purposes
they did not exist. Of course,
our sisters (if we had any of
suitable age—had none) and
our friends' sisters came to the
Eighties Week Ball. But they
were seldom undergraduates.
Of course at home boys and
girls lived and played together.
But it must be remembered that
the boys of seventeen,
eighteen or nineteen, was to the
girl of eighteen only a hobble-
seny. She was "out", she was
launched, and she was looking
for a husband of twenty-three
or twenty-four or older—not an
undergraduate at an Oxford
college, but a young man at the
Bar; in the Foreign Service; or
in Parliament. It was rare for
boys to marry girls of the same
age. Apart from any other
consideration a husband was
then (strange reactionary con-
cept) supposed to support his
wife. This was hardly practical
when you were reading for a
degree. For it was re-
membered that the under-
graduates in addition to schol-
arships or other grants had to rely
on their parents, not the
"state", for support. In any
case, I do not think it possible
to exaggerate the effect
which acceptance, and even
domination, of women has made
in the life of the university,
particularly for the male under-
graduate.
Moreover most of the dons,
especially the younger ones,
lived in college with all this
implied to the life and care of
the boys. Marriage later be-
gan to take its powerful toll.
Dons thus began to disappear
at dusk, going home like com-
muters. Only on Sunday even-
ings does the clock seem sud-
denly put back and the Senior
Common Room come to life.
But by then, of course, the
modern undergraduate has gone
to London for the weekend.
There was another difference,
of some importance. The prob-
lem of "graduate students"
which has loomed so importan-
tly, and even ominously,
recently in university politics, had
not arisen.
Naturally, with the character-
istic egotism of youth, we
assumed, sixty years ago, that
the main, if not the sole, pur-
pose of the pious founder and
benefactors of colleges and
halls, was to provide for under-
graduates. There had of course
to be Heads of Colleges, Fellows
and Tutors, just as there had
to be headmasters and assistant
masters at schools. Somebody
had to keep the place going
from generation to generation
and provide food, lodging, and
a modicum of instruction. More-
over, since we had devoted some
12 years more to the study
of Greek and Latin, the extant
literature of which, though re-
markable, is not extensive—it
never occurred to us that there
could be any question of post-
graduate study. A few scholars
there would be, of course, who
would devote their lives to re-
finements of classical criticism.
These could easily find fellow-
ships. The rest of us would
make way with happy mem-
ories for our successors—read-
ing men, sporting men, but all
transient figures. Now, the
post-graduate amounts to not
hundreds, but thousands—and
have to be provided for,
whether in single or married
residences. This has been, and
is still done, on a generous
scale by new benefactors in new
collegiate institutions but at the
same time the limited courses
of study, which were the gener-
al 60 years ago, have been im-
mensely, almost unrecogniz-
ably, extended and multiplied.
Then it was Latin and Greek,
continued on page 11

With New York in the hands of a receiver, we examine the background of financial mismanagement

How things turned sour for the 'Big Apple'

New York City is broke, and on the surface at least for much the same reason why Britain would be broke if it was not for the promise of North Sea oil. It is a city dominated by trade unions led by militants and not a Jack Jones in sight. They have shamelessly over-manned the municipal services and held the city fathers to ransom for years.

It has one municipal civil servant for every 20 citizens, twice as many as in Chicago, and yet the city is falling apart. Behind that impressive and occasionally breath-taking skyline are slums that would shame some Middle Eastern cities.

No wonder President Ford is appalled, and has refused to

come to the rescue with federal aid. For this small-town conservative from Grand Rapids, Michigan, New York City is a horrifying example of bureaucratic stadium run wild. Clearly the city should put its own house in order, but Mayor Abe Beame and his predecessors are not entirely to blame.

New York and other American cities are the victims of the federal system. Constitutionally, they do not exist. They are the charity wards of the states whose legislatures are more often than not dominated by rural interest. The record shows that they have rarely received their fair share of state revenues although they generate much of the wealth as well as most of the problems. They are nevertheless expected

to shoulder burdens which in other countries would be assumed by the national government. For instance, there is no national assistance under the American federal system. When poor blacks leave Mississippi for New York, the city must take care of them. The state helps grudgingly, Washington provides matching funds, but the city has to pay much more than it could ever afford.

London, Leeds or Manchester could not survive in such circumstances, but these political facts are ignored in the White House and in the suburban sanctuaries where little Gerald Ford has escaped from the city's responsibilities. It is easier to blame the profligacy of City Hall, and in any case

Middle America has always tended to dislike and resent New York.

Their resentments are piled one on the other like rock strata. At the bottom are the memories of eastern bankers and railroad barons who in the last century screwed honest farmers and traders. Then come the layers of prejudice against Catholics and Jews, intellectuals and liberals. Near the surface is the small-town envy of the big city, the Puritanical rejection of Babylon, and apprehension of its ideas, energy, quick wits and largeness of spirit.

The resentments nurture the belief that New York City is not America, and in a way this is true. It is certainly not Grand Rapids or Dubuque. It

is the home of the New York Times and the New Yorker, of the Lincoln Centre and the television networks, of Broadway and Off Broadway, and of the great publishing houses as well as of Wall Street and the multi-nationals.

No other big American city can be compared with it; not Boston nor San Francisco, and certainly not Chicago. The United States would survive if New York could be cut loose and floated off into the Atlantic, as Senator Barry Goldwater once suggested, but it would be a mean, provincial country. New York, not Washington, is the nerve centre, the storehouse of the nation's adrenalin. It is a great city.

Louis Heren

A dramatic lesson for other American cities in the self-inflicted wounds of New York

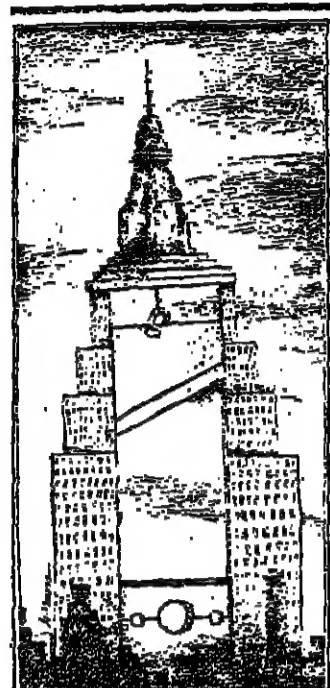
Washington, Oct 17

New York City is in the hands of a receiver. Its democratic management has been suspended indefinitely. The 'Big Apple', as it is widely and affectionately known in the United States, is as colourful, dramatic, vivacious and cosmopolitan as ever. It is also flat broke, unable to pay creditors and the 300,000 city employees.

The bills are now being paid by the State of New York, with reluctant help from some banks and even some municipal employees' pension funds. The mayor, Mr Abraham Beame, has been deprived of all power and prestige, and the running of the city is for the moment in the hands of the Governor of New York State, Mr Hugh Carey, and a team of businessmen.

A series of desperate attempts was made to stave off bankruptcy, but the city ran out of cash in early September, and only a last-minute rescue by New York State saved them from defaulting on its debt repayments.

Some people ask why the federal government has refused aid to New York when it helped such companies as Penn Central and Lockheed. When a company runs out of cash and cannot borrow, a receiver is appointed to save what can be saved, liquidate assets, and reorganise if possible. New York City is not a company: it cannot sell Central Park or Statue Island, it cannot dismiss its policemen, firemen, cleaners, firemen, teachers and hospital workers. But New York City is a most interesting political animal than Penn Central or any large corporation. Whenever President Ford travels he meets people who dislike New York, the centre of sophistication, the place that is almost always one step ahead of the nation, and knows it. The President meets people from Michigan and Kansas who, as Mayor Alexander of Syracuse, in upper New York State, noted the other day, would like to see "that great old lady, New York City, rub its nose in the dirt". Basking New York City seemed like the one time only nine tracks were in use.



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● New York City now has an annual expenditure of about \$6,200m. The main items are: Welfare and charity, \$1,700m (the federal government provides only about 46 per cent of the city's welfare expenses); and New York State gives only 25 per cent; education, \$1,500m, which includes \$250m for City University; debt servicing, \$800m; health care, \$550m; police, \$450m; fire protection, \$200m; environment, \$150m. Other expenses, from tax collection costs to running the courts, amount to some \$600m.

● The city's estimated cash shortages for the months ahead are: November, \$197m; December, \$299m; January, \$682m. While the city's cash shortages decline in the spring (\$56m is the estimated total for May next year), the crisis happens to be the most important time for market borrowing by New York State, and that, of course, opens another can of worms.

ment costs to reckon with it still has an annual budget more than three times as great as that rival centre of international banking Switzerland: a budget that is only a fraction smaller than Belgium's and not much below Australia's.

Yet the city's \$6,200m a year is a modest sum, when compared to the national United States budget of about \$175,000m just as New York's deficit of about \$400m is small compared to the likely federal deficit of \$35,000m. Such comparisons have led some New Yorkers to comment firstly, "Surely Washington can lend us a hand," and secondly, "Look, you're finally responsible. Our deficit is less than one-fifteenth of our budget, while the nation's deficit is now soaring beyond 20 per cent of the budget."

While the city's administration expanded and its cost rose, and as its policies swelled the expenditure side of the balance sheet, so the strength of the revenue side deteriorated. Business executives moved their homes to even greater numbers to suburbs beyond the city limits, while maintaining city offices and taking full advantage of many city services. A growing number of big companies moved to less expensive and less crowded cities. City taxes—the highest in the country, consisting of city income, sales and property taxes—were a prime cause of these moves, which served as a warning that further tax increases could lead to a still greater deterioration of the city's revenue.

Erosion of jobs in the city has been a big headache for the budget directors, with a decline of 250,000 jobs between 1963 and 1973 and a further decline of 115,000 jobs from mid-1974 to mid-1975. At the same time the payroll at City Hall actually rose by 136,000 between 1963 and 1973, so the numbers dependent on the taxpayers for their income but growing poorer as the city's deficit widened.

The budget this fiscal year compares with one of about \$1,700m in 1964, and despite the financial strains of the past year—the need for prudence—the city's budget this year is \$800m greater than it was in fiscal year 1974-75.

All these developments moved the city inevitably towards financial disaster. The ever-growing deficits became a game of piling bad debt upon bad debt, and the interest costs of these debts added all the more to the deficits. A day of reckoning had to come, and it came with a vengeance on April 17th of this year, when the credit rating agencies, who determine the credit-worthiness of market borrowers, decided that New York City was not credit-worthy.

At first it looked as if the city only needed short-term financing to get it out of deep water. But the decision by the rating agencies sent shockwaves through the financial community, which immediately raised borrowing costs to all municipalities. It also smashed investors' confidence in New York and even in some State agencies, forcing one into default. Yet the crisis seemed containable, especially when a leading Wall Street banker was appointed to clean up the mess.

Mr Felix Rohatyn, a partner of Lazard Freres who organised a rescue of the city's dramatic merger in United States corporate history, set up the Municipal Assistance Corporation, swiftly raised some cash, scoured the city's balance sheet, and discovered the surprising truth that New York City had been managed so badly for so long that, in the midst of a national economic recession when unemployment was at its highest rate in 30 years and businesses were generating less tax revenue than ever, the city faced a desperate crisis.

It was mainly Mr Rohatyn who persuaded Governor Carey to involve the New York State in the city's problems, establish an emergency financial control board, and to give the city Mayor Beame of all effective power. That was in early September and today, with busi-



nessmen making most of the decisions, a plan is finally being put together that could reform New York City.

The architects of this plan are not subject to the same trade union pressures as the city officials, nor do they have an electorate to face. They can take the tough decisions that most politicians would shy away from. New York City needs to raise about \$2,000m between now and next June, just to meet current debts and its payroll.

Mr Rohatyn and his colleagues are planning big redundancies, trimming expenditures as their own pay is cut. They are also planning to cut \$100m of this year's deficit and achieve a balanced budget within three years. But the city needs time. The aid programme worked out by the New York State for \$150m will keep New York City's creditors at bay until early December.

After early December the city will need federal money to provide the breathing space for the new budget-cutting plans to be put into operation. All New York experts agree that the best solution is for the federal government to

provide \$1,500m to \$2,500m of Government guarantees for new special New York City Bonds.

The Government has every reason to support New York. It is the real capital of America, its business and cultural centre. The city is a supreme national asset, generating imaginative and constructive ideas to fuel the industrial heartland, engineering the means and mechanisms to finance the budgets of local, state and federal governments and domestic and foreign corporations, sucking life from around the globe, massing its invisible earnings and pouring out social, political and cultural ideas of a sort unrivalled by any other American centre and of immeasurable value.

Chancellor Helmut Schmidt of West Germany has said that a dangerous international financial crisis would result if New York defaulted on its debts. Mr Brenton Harries, president of the agency that withdrew the credit ratings last April, said there would be no foreign money left to lend to the city if the federal government did not come to the rescue. Mayor Wise of Dallas

said a default would ripple across the country, forcing every municipality to pay much more for its money.

Leading New York bankers said that there could be a great undermining of confidence in the nation's banks if the city defaulted because the banks held a great proportion of the city's debt and the losses could be vast. Philadelphia, Detroit and Newark, all cities with grave problems, could follow New York into default. New York state could be bankrupt by the spring.

According to Dr Arthur Burns, chairman of the Federal Reserve Board, foreign investors might lose confidence in America's chances of economic recovery—and the recovery itself could be threatened. Mr Peter Klompare, a leading Frankfurt broker who was in New York last week, said the only reason why the dollar had not fallen sharply and foreign investments had not been withdrawn on a grand scale from New York, was that foreigners simply could not believe that the city would default.

Frank Vogl

Sportview

Speedway: thrills and spills for all the family

Barry Briggs, four times the world speedway champion, had his last ride for his team, the Wimbledon Dons, this week. Now aged 40 he came into the game when it was at the height of its post-war, pre-television boom. During his career he has seen it decline virtually to the point of extinction, and he has been part of the phenomenal revival which now sees speedway established as the second biggest spectator sport in Britain today.

Six million people will have watched the sport in 1975 by the time the season ends in a fortnight. Weekly attendances at the nearly 40 tracks throughout the country regularly reach 250,000. One football is a greater public attraction than any other sport. Yet as recently as the late 1950s the sport was all but dead. Attendance figures had dropped spectacularly. The organization and management of the sport was in a mess. At one time only nine tracks were in use.

The early 1950s saw the beginning of the revival. The structure was reorganised. A new kind of promoter began operating. Instead of being in the hands of enthusiastic but often inept amateurs, speedway promotion became a slick professional enterprise.

Today speedway is a big business as well as a popular sport. This is not only true of Britain, Scandinavia, Poland, Czechoslovakia, the Soviet Union, Australia and New Zealand but all experiencing a similar boom.

It is estimated that the leading riders, the star names like the two four-times world champions Ivan Mauger and Barry Briggs have been earning a minimum of £20,000 a year recently. Younger stars, like Peter Collins and current world champion Ole Olsen, are in the same bracket. A good rider in Britain's first division (the British League) would probably earn around £5,000 during a season.

The bread-and-butter of speedway in Britain is the league match. The League consists of 18 teams and the second division, the New National League, has twenty. Every team has two league matches every week between March and October. Broadly, each track has a promoter responsible for



Barry Briggs: hero-worship and £20,000 a year.

its administration and a team attached to it. Riders are under contract to the promoter, and there is an equalisation system to ensure that the top-class riders are spread evenly over all teams, so the contests are evenly fought.

On top of the league matches, there are regional and national individual championships, international matches, team and individual world championships (Britain has won the world team prize five years running) and various invitation events. For all these, riders are paid both for participating and by results. A rider in demand will often be in action, here and abroad, six times a week.

Supervising all these activities is the Speedway Control Board, which is at the same time a rule-making, disciplinary, and licensing authority. It has jurisdiction over all aspects

The casual onlooker might have difficulty in understanding the wide appeal of the sport. Races seem dull and uniform both in structure and uniform. There are four riders in each race. All races are over four laps of a shale surface track (usually constructed in a greyhound or football stadium). Tracks average between 350 and 400 yards per lap. An evening's meeting consists of 13 heats followed by some six or seven invitation races. The point-scoring system, like the format of a race, is simple and fixed, whether the event is international, league or friendly. The rider who comes first in a race gets three points, the second two and the third one.

In the vast majority of races the result is determined within the first few seconds, because whoever manages to take the lead from the starting tapes and

around the first bend has an advantage which, barring accidents, he seldom loses. The race, which lasts (depending on the length of track) between 60 and 80 seconds, is likely to be more a procession than an exciting closely fought fight to the finish. Repetition of this formula some twenty times during the course of an evening's meeting could seem, on the surface, to lack the continuing interest and variety which characterise some other spectator sports. There is not even the constant fear of a crash in comparison with other motor racing. The rider who comes first in a race gets three points, the second two and the third one.

Now then to explain the huge and growing appeal of the

sport? Partly, especially for the young, the pleasure lies in supporting a favourite team and the hero-worship of some of the riders. The supporters' clubs scene, with its badges and banners, photographs and slogans, team tee-shirts, coaches to away matches, social dances and parties, is a feature of the sport.

There are others for whom the excitement is visual, the beauty of four riders symmetrically sliding their cycles around a corner at an angle that seems to defy gravity, the shunt from the track surface spurring out from the wheels in a perfect arc.

And there is always the ever-present and often fulfilled promise of a spectacular spill. Often it appears almost miraculous that, with four machines following each other at speeds of up to 60 miles per hour with only centimetres between them, bad accidents are comparatively rare. In fact deaths or serious injuries are few, although broken limbs and bones are the regular and accepted burden of any speedway rider.

There is another aspect to the sport which has undoubtedly contributed to its popularity. A speedway meeting has an atmosphere of friendliness about it. It is something which the whole family can enjoy. Parents and children can attend without the fear of violence on the terraces or thuggery on the way home. Last month 85,000 spectators watched the world individual championships at Wembley. There were no incidents. There was no trouble, no invasions of the playing area, no arrests. The same is true of league matches.

The spectacular increases in attendances in recent years will probably level out now, and most of the sport's administrators foresee steady rather than sharp growth over the next few years. There is no dearth of good young riders coming into the sport. Despite the economic climate most promoters are making money, or at least not losing any. The future looks good for speedway to settle down and become permanently accepted as one of the country's major sports instead of leading the yo-yo existence it has had since it first came to Britain nearly 50 years ago.

Marcel Berlins

Tories' last chance to prove Mr Wilson wrong?

George Hutchinson

No-one will watch the Tory revival now in the making. The Tories are the last of the hereditary aristocracy of the country of shifting political fortunes and party tactics. His own and other people's. No single scrap of evidence will escape his roving eye. Knowing more about Tories than the Tories know themselves, he will be weighing up every probability with one consideration in mind: Labour's survival at the next general election.

Despite all the internal strife he is still holding his party together, at least in a nominal sense (for there are really two Labour parties), and keeping his Government going in the House of Commons. He has been able to do so by grace of the Opposition, which—acting in the national interest—has saved his economic policy (and perhaps the economy itself) from destruction at the hands of the left.

Thus protected by the Conservatives, he has pushed on with his general programme of socialisation, not quite as fast or as far as the left would wish, but doing enough to give Mr Milward and the like some limited satisfaction while affording the Tories nothing except the knowledge that they have become one of his indispensable props. It is a most ironical combination of circumstances, marvellous for Mr Thatcher, meddlesome for Mrs Thatcher and her party.

But what else could the Tories do? They have no alternative in putting country before party. If Labour chooses to reverse that order, so much the worse for Labour in the ultimate test at the polls, and for the Government's reputation in the meanwhile.

With the rising Conservative spirit the state is now being set for the battle—and it will be one of the roughest in our parliamentary history—in determining whether Labour is established as what Mr Wilson likes to call the natural governing party or whether Britain, under Mrs Thatcher's guidance, returns to an older tradition, less liable to disruption by chance and disruption by choice and disruption by greed. The gathering menace of a greedy and autocratic bureaucracy and social

liberal, crushing and narrow character, she would not be able to impose it on the Tories. Why not? Because she is surrounded in the shadow cabinet—a committee of her own choice—a collective leadership—by people who would not stand for it.

Her deputy, after all, is Mr Whitelaw, a Baldwinian figure well attuned to the national temperament. Mr Whitelaw would not be present unless he thought well of Mrs Thatcher. Nor would Mr James Prior, another of the best in the party, considerate, open-minded, tolerant. Nor would Sir Geoffrey Howe. Nor would Mr Norman St John-Stevas. I need hardly extend the list: it is replete with people of similar outlook and calibre, most of whom served Mr Heath.

They would have joined Mrs Thatcher unless they knew her to be a person of reason, moderation and goodwill. They know, too, that she is a lady of exceptional courage and tenacity. Mrs Thatcher has authority by virtue of character as well as office, but without a touch of the authoritarianism.

At the Conservative conference in Blackpool I ran into one of the activists in the so-called Tory Reform Group. He was wringing his hands—he seemed quite desperate—over what he saw as an alarming right-wing trend in the party leadership. The self-styled reformers have invented a boy for themselves to fit anybody else will, except the party's declared opponents. Their energies are misdirected, deriving as it does from a number of fanciful perceptions. If they cannot understand their own leader, or the mood of their own party, how can they hope to contribute much to the national debate?

This is rather a pity, because the three component parts of the group were worthwhile in single entities. In combination they will have little. If influence as the party gains and recedes its confidence in Mrs Thatcher, it is not always a good thing, and often a very bad thing. One of the lessons to be learned from the experience of the Conservative government, Mrs Thatcher and her immediate colleagues have learnt it, for which we can all feel thankful.

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EDITED BY MARGARET STONE

Interest investment

high yield is not ways the answer

It would have been thought, the way that government prices were behaving in the most of last week, that October's scares were out of the way. The Government was the point of taking the decision that the pound would be devalued. The requirement and the double figure inflation.

It has become obvious the past couple of days that the Prime Minister in the House and the Chancellor in the Commons and the Lord Mayor's Banquet within hours of one another that there would be no choice in public life, and that the implied in an already enormous deficit would be financed still more borrowing.

High-yield market did not at all. The same, we now know we are, and I think it is time to start talking about the government which readers might be buying. And that takes right back to the question of choice, on which we have been.

It is not that stocks are chosen by reference to tax position, your time and the amount of risk on which the three the as the most important. The general rule, the higher rate of tax, the lower the coupon on your stock.

It is because, with your subject to greater taxation by the tax man, as much as possible gain to come in the of capital appreciation, gains tax at a mere cent, and then only if it is held within a year.

Coupon stocks tend, in essence, to show a marked increase in value, with yields down to which have risen, and why anyone bothers to buy at all. But put your position of a man marginal tax rate of 35 per cent, who is to invest for redemption, five years, and the first slight Treasury bill in 1980, selling at 94 or a running yield of 10.5 per cent and a gross yield of some 12.3 per cent is the stock for which redemption yield on it is quoted is better than on any comparable stock.

Remember, this is a redemption yield; and, as coupon on the stock is 9 per cent, a lot of

the gain to redemption to which it relates will be coming in the shape of income on which the investor will be paying tax at 85 per cent.

He would, in fact, do much better to buy the Treasury 31 per cent 1977/80, which is standing at about £76 for a running yield of 4.5 and a gross redemption yield of under 10 per cent. Here, the capital value of his investment is going to rise by almost a third between now and the redemption date, as against an appreciation of under 11 per cent on the superficially more attractive higher coupon stock; and he will be sacrificing precious little in the way of tax income in the meantime.

But wait a moment before you rush for the telephone and your broker. If you are going to buy sensibly for capital gain, you need to take the dates of interest payments into consideration, too.

Although it does not show in the price, because Treasury 31 per cent 1977/80 is a short-dated stock and the shorts are not quoted cum dividend (i.e. including the interest), if you buy now, for the tranche of interest to which a purchase now entitles you. So if it is capital gain that you are after, you would do much better to defer your purchase until after the stock goes ex-dividend on November 10.

True, you may miss the best of the buying opportunity which I am expecting towards the end of this month; but then deferred interest is worth £1.1 per cent in capital gain, so that on balance I think you should win out.

Don't leave it too long, though, for short-dated low coupon stocks have a habit of rising, directly they go "ex-dividend", and then only if it is held within a year.

At the other end of the spectrum the low-rate taxpayer has to define his aims much more rigorously. If he is going for income above all, then gifts are not for him, unless he is prepared for the risks to his capital implicit in investment at the longer end.

For not until he is looking at a stock with a redemption date in 1985 and Treasury 12 per cent will he find a net yield of 12 per cent. With the 12 per cent coupon at which last week's bunch of local authority yearling bonds were issued.

So, unless he is investing for capital gain in the firm conviction that interest rates are set for a slide, he had better leave government stock alone for the moment.

Adrienne Gleeson

it trust performance

TRUSTS: Growth and specialist funds (progress this year over past three years). Unitholder index: 1,571.4; rise from 7.1, 1975: 56.4%.

change offer to bid, net income included, over past 12 months: +40.0%; over 3 years: -21.5%.

as supplied by Money Management and Unitholder, 30 York Square, London, EC2.

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| Other States | 23.0 | 27.8 | | | | | | | | | | | | | | | | | | | | | | | | |
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| Japan | 20.0 | 23.0 | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 Capital | 14.0 | 18.0 | | | | | | | | | | | | | | | | | | | | | | | | |
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Discount market

severe shortage of credit yesterday. The bank of England was finally required to assist the market on an exceptionally large scale by buying Treasury bills and corporation bills directly from the houses. Identified factors indicated that the help was sufficient to meet the market's needs.

Rates for secured loans got up as high as 12 per cent at one time, but final balances were usually taken between 10 and 11 per cent.

Money Market Rates

| | | | |
|---|------------|----------|------------|
| Bank of England Minimum Lender Rate 12% | | | |
| 1st March Expected 4.0-4.5% | | | |
| Discount Rate 5.0-5.5% 11% | | | |
| Weekend Market Loans 11% | | | |
| Weekend Open 15% 11% | | | |
| Week Fixed: 11% | | | |
| Treasury Bills (Drf.) | | | |
| Buyer | | Seller | |
| 3 months | 11% | 3 months | 11% |
| 6 months | 11% | 6 months | 11% |
| Prime Bank Bills (Drf.) - Traded (Drf.) | | | |
| 3 months | 11-11 1/2% | 3 months | 12% |
| 6 months | 11-11 1/2% | 6 months | 12% |
| 3 months | 11-11 1/2% | 3 months | 11 1/2% |
| 6 months | 11-11 1/2% | 6 months | 11 1/2% |
| Local Authority Bonds | | | |
| 3 months | 11-11 1/2% | 3 months | 11-11 1/2% |
| 6 months | 11-11 1/2% | 6 months | 11-11 1/2% |
| 3 months | 11-11 1/2% | 3 months | 12-11 1/2% |
| 6 months | 11-11 1/2% | 6 months | 12-11 1/2% |
| 3 months | 11-11 1/2% | 3 months | 12-11 1/2% |
| 6 months | 11-11 1/2% | 6 months | 12-11 1/2% |

Forward Levels

| | 1 month | 3 months |
|------------|---------------------------------|-----------------|
| New York | 17-1/2¢ prem | 2-60-1/2¢ prem |
| Montreal | 19-1/2¢ prem | 1-35-1/2¢ prem |
| Amsterdam | 2-25¢ prem | 10-40¢ prem |
| London | 1-10¢ prem | 10-40¢ prem |
| Copenhagen | 19-1/2¢ prem | 12-13¢ prem |
| Frankfurt | 2-30¢ prem | 10-10-1/4¢ prem |
| Lisbon | 1-10¢ prem | 10-10-1/4¢ prem |
| | 40¢ disc | 80¢ disc |
| Milan | 3-11¢ prem | 4-21¢ prem |
| Paris | 1-10¢ prem | 10-10-1/4¢ prem |
| Porto | 4-3¢ prem | 10-10-1/4¢ prem |
| Stockholm | 4-20¢ prem | 11-10¢ prem |
| Vienna | 1-10¢ prem | 10-10-1/4¢ prem |
| Zurich | 4-20¢ prem | 10-10-1/4¢ prem |
| Canadian | dollar rate against U.S. dollar | |

50-50%
 Forwarder deposits 1% min. Ex-2; reverse
 disc. 1% one month, 2% three months
 10-11% min. 7-10%.

[illegible][illegible]

| | Oct 17 | Oct 18 | | Oct 17 | Oct 18 | | Oct 17 | Oct 18 |
|------------------|--------|--------|-----------------|--------|--------|----------------|--------|--------|
| Allied Chem. | 34% | 23% | Ford | 39% | 38% | RCA Corp | 15% | 18% |
| Allied Stores | 41% | 41% | G.A.F. Corp. | 91 | 9% | Regt. Steel | 39 | 29% |
| Allied Supermkt. | 2% | 2% | Gambler Shoppes | 21% | 21% | Reynolds Ind. | 58% | 58 |
| Atlas Chemicals | 11% | 10% | Gen. Dynamic | 46% | 47 | Reynolds Metal | 18% | 19% |
| | | | Graphic | 47% | 47% | Rockwell Int'l | 21% | 22% |

York, Oct. 17.—Wall Street closed lower today after New York City temporarily and a debt default.

An emotionally bouncing session saw the Dow Jones industrial average fall 5.67 points to 832.18. It left 91 points lower, news reports that the city had no funds it needed to avert it. The average rebounded a small gain within a few minutes.

Outstanding issues outnumbered buyers by about 850 to 490. The totalled 15,650,000 yesterday with 16,910,000 yesterday.

Investors attributed early selling to the fact that the market would be a securities markets and against a United States economic recovery, recovery after the city's teachers' union head said to propose honouring an plan to provide pension for teachers. The plan was short, because investors realized the solution was temporary.

Investors also noted that the city had recently backed away from other rally attempts.

[illegible][illegible]

| | | | | | |
|-----------|-----|-----|-----------------|-----|-----|
| Co. | 41% | 43% | C.S. Industries | 25% | 27% |
| Mathon OH | 46% | 48% | C.S. Steel | 28% | 34% |
| er Inc. | 26% | 24% | U.S. Technol | 33% | 30% |
| | | | Nachovia | 17% | 17% |

[illegible]

| | | |
|-----|-----|-----|
| 647 | 809 | 175 |
|-----|-----|-----|

[illegible]

House of Commons
MR PEART, Minister of Agriculture, Fisheries and Food (Workington, Lab.)
The general agricultural debate on the monetary, the EEC Commission documents, the EEC Council regulations dated July 25 relating to the green pound, and the value of the green pound which he announced on Wednesday.

He said the Council of Agriculture Ministers was to have a special meeting on October 29-30 devoted solely to the stocktaking exercise.

There was a fundamental need to ensure that while providing efficient producers with a reasonable assurance the common agricultural policy yielded neither excessive burdens either on consumers or national or Community budgets. He welcomed the Council's regulation that the costly accumulation of wasteful surpluses must be discouraged, and their acknowledgement that the price levels set at levels which took account of the needs of modern and efficient farms and the regulation of those particular commodities.

There should not be undue reliance on aid and price supports alone. There were problems and conflicts. He had repeatedly made clear that the Government saw a role for direct aids in the form of grants, that those grants nationally.

The CAP needed to be made more effective, to be made more effectively with differing national and regional problems. (Cheers.) There must be no significant distortion of competition.

The Commission's report contained welcome recognition of the need for the central consideration of the interests of the consumers must be taken into account. It said that when surpluses did arise, and occasional surpluses were almost inevitable under the common agricultural policy, consumers within the EEC should be given priority in their disposal. The Government could do more to ensure that for this aspect of the report.

On Community self-sufficiency, he agreed with the Commons Agriculture Committee. He did not see a sound reason for pursuing a policy would lead to unnecessary costs. The Govern-

ment's principle on producer costs was that the Government would not buy but how this principle was was likely to vary from modity to commodity. Basic must be the marginal, real market price, and that was discouraged in this way.

Action to curb over-production in the Community must be inequity on British producers, and that was a natural and climatic advantage dairying, so an increase in producers' share of Community Common Agricultural Policy. With the principles of the intervention buying (the can have a role to play in a number of ways, such as in mountainous, taking unwanted produce a reasonable. When the best regions are restricted in the next marketing year Government would not arrangements which were the good as the regime.

On disposal of intervention stocks on the Community market, the Government subsidies used as an alternative proper and efficient price policy.

The stress had been made on the need to relate modern and efficient. Regional aid should be considered, but should not be distorted so providing for all products level surplus. Efficient one-called level of production far greater could be marketed efficiently. We were working towards giving a look at the later mechanisms to see if they be improved. There might be a seasonal pricing for milk in the Community.

The Commission had recommended on the sale of the intervention stocks of milk powder for use in animal to allow some of the surplus to be sold as for export, to agreement on the deal would be prepared to accept.

We have to recognise that, unless our have adequate returns in the long term, we do not believe that what we have in these two green pound is right in the interests

[illegible]

Euro-Parliament.

MR MARK HUGHES (Durham Lab) presented a report on behalf of the committee on agriculture and fisheries. He approved proposals by the Committee to continue negotiations with the Council of Europe on accession of the Community to the European convention for the protection of animals during international transport.

He said that although most member states had signed the convention within up to eight years ago, the harmonization of animal legislation had made little progress. There was disquiet that the lack of uniform national legislation had prevented effective safeguarding of the interests of animals in transit.

By cutting through the maze to achieve harmonization at a stroke and enabling proper protection of animals to be introduced far more quickly, the process of such state tying to harmonize

legislation and their own convention rules directly able was recommended. It was hoped that the success of the treatment of animals could be lessened.

MR JAMES SPICER (Dorset Lab) said that there were many cases of inhumanity to animals in transit by air. His opinion was reinforced by comments from Mr. Spicer, who, as a social affaire, said it was foreseen that in time there would be bilateral agreements between countries and third countries under which the treatment of animals would have been improved in the transit countries. He also pointed out the possibility of changing the nature of international travel, the transportation of animals by air.

The speaker concluded by saying that the conditions for improving the conditions for transport. The report will be discussed by the House of Lords on November 10.

BELL'S
SCOTCH WHISKY
Afore ye go

As we were unable to update this page yesterday, the changes are on Wednesday's prices.

[illegible]

